



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

April 11, 2013

Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released an audit report on Greene County, Iowa.

The County had local tax revenue of \$18,070,564 for the year ended June 30, 2012, which included \$779,189 in tax credits from the state. The County forwarded \$13,211,902 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,858,662 of the local tax revenue to finance County operations, a 6.6% decrease from the prior year. Other revenues included charges for service of \$1,907,608, operating grants, contributions and restricted interest of \$3,444,418, capital grants, contributions and restricted interest of \$688,981, local option sales tax of \$335,478, gain on disposition of capital assets of \$17,231, unrestricted investment earnings of \$10,961 and other general revenues of \$74,527.

Expenses for County operations totaled \$11,078,198, a less than 1% increase over the prior year. Expenses included \$4,348,721 for roads and transportation, \$1,422,939 for mental health, \$1,349,971 for public safety and legal services and \$1,411,467 for administration.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1210-0037-B00F.pdf>.

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GREENE COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2012

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Greene County

Officials

(Before January 2011)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mary Jane Fields	Board of Supervisors	Jan 2013
John Muir	Board of Supervisors	Jan 2013
Guy Richardson	Board of Supervisors	Jan 2013
Thomas Contner	Board of Supervisors	Jan 2015
Dawn Rudolph	Board of Supervisors	Jan 2015
Jane Heun	County Auditor	Jan 2013
Donna Lawson	County Treasurer	Jan 2015
Marcia Tasler	County Recorder	Jan 2015
Thomas F. Heater	County Sheriff	Jan 2013
Nicola J. Martino	County Attorney	Jan 2015
Linda Spearman	County Assessor	Jan 2015

Greene County



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Independent Auditor's Report

To the Officials of Greene County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greene County, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Greene County's management. Our responsibility is to express opinions on these financial statements based on our audit.

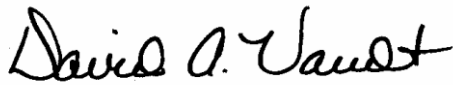
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Greene County at June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

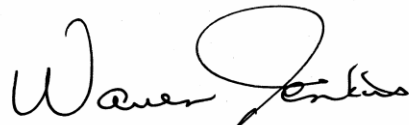
In accordance with Government Auditing Standards, we have also issued our report dated March 29, 2013 on our consideration of Greene County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 13 and 46 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greene County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2011 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 29, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Greene County provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2012 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 12.7%, or approximately \$1,644,000, from fiscal year 2011 to fiscal year 2012. Property tax decreased 6.3%, or approximately \$313,000, from fiscal year 2011. Charges for service increased approximately \$384,000 and capital grants, contributions and restricted interest decreased approximately \$1,284,000.
- Total program expenses of the County's governmental activities increased .49%, or approximately \$54,000. Non-program expenses increased approximately \$165,000. The greatest program expense increases were in the areas of mental health, approximately \$196,000 (15.97%), and administration, approximately \$125,000 (9.72%). Roads and transportation expenses decreased 8.79%, or approximately \$419,000.
- The County's net assets increased 1.24%, or approximately \$260,000, from June 30, 2011 to June 30, 2012.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Greene County as a whole and present an overall view of the County's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Greene County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Greene County acts solely as an agent or custodian for the benefit of those outside of county government (Agency Funds).
- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.
- Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are presented in the Statement of Net Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund and 2) the Special Revenue Funds, such as Mental Health, Rural Services, Secondary Roads and Drainage Districts. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows.

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for emergency management services, the County Assessor and all the property tax funds necessary to collect and distribute property tax to schools, cities, townships and all other taxing authorities. Greene County excludes these activities from the government-wide financial statements because these assets cannot be used to finance its operations. Fiduciary funds report a liability, due to other governments, and, therefore, no fund balance is reported.

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

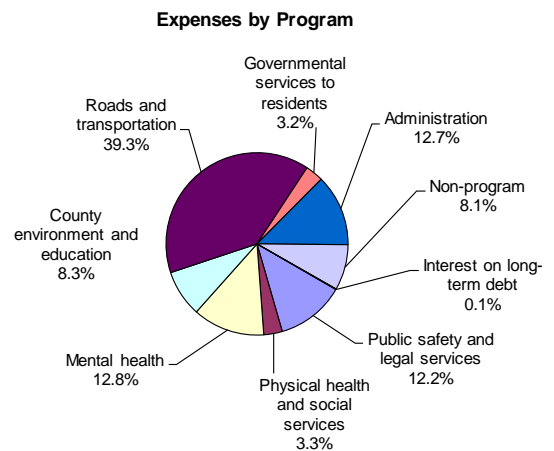
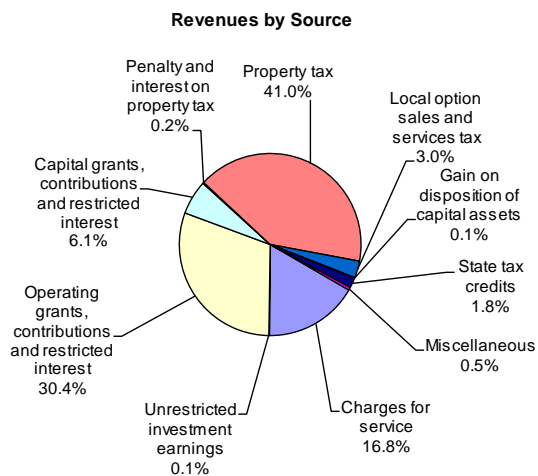
GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis below focuses on the changes in the County's net assets of governmental activities.

Net Assets of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2012	2011
Current and other assets	\$ 11,724	10,630
Capital assets	16,178	16,115
Total assets	27,902	26,745
Long-term liabilities	900	608
Other liabilities	5,814	5,209
Total liabilities	6,714	5,817
Net assets:		
Invested in capital assets	16,178	16,115
Restricted	3,694	3,483
Unrestricted	1,316	1,330
Total net assets	\$ 21,188	20,928

Net assets of Greene County's governmental activities increased approximately \$260,000, or 1.24%. The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$1,330,000 at June 30, 2011 to approximately \$1,316,000 at the end of this year, a decrease of 1.05%.

Changes in Net Assets of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2012	2011
Revenues:		
Program revenues:		
Charges for service	\$ 1,908	1,524
Operating grants, contributions and restricted interest	3,444	3,839
Capital grants, contributions and restricted interest	689	1,973
General revenues:		
Property tax	4,652	4,965
Penalty and interest on property tax	20	32
State tax credits	206	239
Local option sales and services tax	336	335
Unrestricted investment earnings	11	21
Gain on disposition of capital assets	17	7
Miscellaneous	55	47
Total revenues	11,338	12,982
Program expenses:		
Public safety and legal services	1,350	1,369
Physical health and social services	367	398
Mental health	1,423	1,227
County environment and education	914	897
Roads and transportation	4,349	4,768
Governmental services to residents	351	321
Administration	1,411	1,286
Non-program	900	735
Interest on long-term debt	13	23
Total expenses	11,078	11,024
Change in net assets	260	1,958
Net assets beginning of year	20,928	18,970
Net assets end of year	\$ 21,188	20,928



Greene County decreased property tax levied county-wide \$373,130, or 10.65%, and increased rural property tax levied \$16,226, or 1.06%. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2012	2011
County-wide taxable valuation	\$ 548,265,551	526,949,700
Dollars levied county-wide	3,129,900	3,503,030
Rural taxable valuation	391,520,309	376,264,573
Dollars levied rural area only	1,546,505	1,530,279
Total dollars levied	4,676,405	5,033,309

County-wide property tax revenue is budgeted to increase approximately \$548,000 in fiscal year 2013, while rural services property tax revenue is budgeted to decrease approximately \$106,000. County-wide taxable valuation (without gas and electric utilities) increased in fiscal year 2013 to \$570,640,790 (4.08%).

INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$4.94 million, an increase of approximately \$64,000 over last year's total of approximately \$4.87 million. The following are reasons for the more significant changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$1,300 while expenditures also decreased approximately \$53,000. The ending fund balance increased approximately \$204,000 from the prior year to \$1,762,597.
- The County has continued to look for ways to effectively manage the cost of mental health services. The County levied 20% of the maximum allowable for mental health dollars in an effort to leverage state dollars. The Special Revenue, Mental Health Fund ending fund balance decreased approximately \$788,000, or 115.9%, from the prior year ending fund balance to \$(108,196).
- The Special Revenue, Rural Services Fund balance increased approximately \$63,800, which included a transfer from the Special Revenue, Local Option Sales Tax Fund of \$41,000. Property tax revenues increased approximately \$31,000.
- Special Revenue, Secondary Roads Fund expenditures decreased approximately \$463,000 from the prior year. The largest decrease in expenditures occurred within the general roadway program. The Secondary Roads fund balance at year end increased approximately \$427,000.
- Special Revenue, Drainage Districts Fund expenditures increased approximately \$182,000 from the prior year. Proceeds from drainage warrants increased approximately \$248,000. The Drainage Districts Fund balance at year end increased approximately \$67,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget one time. A March 2012 amendment resulted in a decrease in budgeted receipts of \$1,332 and an increase in budgeted disbursements of \$205,329. The amendment included an increase for the receipt of licenses and permits of approximately \$41,000 and a decrease of miscellaneous receipts of \$32,430. Public safety and legal services, roads and transportation, administration and capital projects budgeted disbursements increased \$33,750, \$160,000, \$20,000 and \$16,500, respectively, while physical health and social services budgeted disbursements decreased \$24,921.

During the year, the following situations/actions impacted the County's budget:

- County-wide taxable valuation rose approximately \$21.3 million (4.05%) over the prior year's taxable valuation. Likewise, rural taxable valuation increased approximately \$15.3 million (4.05%).
- The local option sales tax to be disbursed for rural tax relief and rural betterment were used to complete some Secondary Roads projects (\$175,000), replace a Sheriff's vehicle (\$25,000), provide funds toward bike trail repair (\$5,000) and eliminate the rural supplemental property tax levy before zeroing out the fund (\$16,000).

The County's cash basis receipts were approximately \$282,000 more than budgeted, a variance of approximately 3.0%.

Total cash basis disbursements were approximately \$309,000 less than the amended budget, a variance of 3.1%. The largest variance occurred within the physical health and social services function where disbursements were approximately \$61,000 less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, Greene County had approximately \$16.2 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$63,000, or .4%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2012	2011
Land	\$ 1,464	1,429
Construction in progress	594	-
Buildings and improvements	1,407	1,450
Equipment and vehicles	2,810	2,953
Infrastructure	9,903	10,283
Total	<u>\$ 16,178</u>	<u>16,115</u>

This year's major additions include construction in progress of the Buttrick Creek Bridge for Secondary Roads totaling approximately \$594,000.

The County had depreciation expense of \$931,656 in fiscal year 2012 and total accumulated depreciation of \$12,050,974 at June 30, 2012. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2012, Greene County had \$594,473 of outstanding drainage warrants compared to \$309,005 at June 30, 2011.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Greene County's elected and appointed officials carefully considered many factors when setting the fiscal year 2013 budget, tax rates and fees charged for various County activities. County-wide and rural taxable valuations rose slightly more than 4% and 5%, respectively, over the previous year's valuations. The county-wide/all rural services tax levy was raised nearly \$.29 per \$1,000 of taxable valuation, mostly due to increasing the mental health levy by \$.85 per \$1,000 of taxable valuation to restore maximum allowable funds for an uncertain program.

During fiscal year 2009, the County committed \$45,000 per year for three years, plus \$50,000 of in-kind services, for a scaled-down enhancement project (Streetscape). Approximately \$10,500 was expended at the end of fiscal year 2010 for engineering costs related to the project. No construction was begun in fiscal year 2011. Those funds are assigned for a three year period. Construction actually began in the summer of 2012. The County has committed funding of \$45,000 in fiscal year 2013 and the balance in fiscal year 2014.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Greene County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Greene County Auditor's Office, 114 N. Chestnut, Jefferson, Iowa 50129-2144.

Greene County

Basic Financial Statements

Greene County
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>
Assets	
Cash, pooled investments and cash equivalents	\$ 4,654,300
Receivables:	
Property tax:	
Delinquent	4,346
Succeeding year	5,041,000
Interest and penalty on property tax	1,957
Accounts	93,248
Accrued interest	621
Drainage assessments	594,473
Due from other governments	422,766
Inventories	910,671
Capital assets, net of accumulated depreciation	16,178,621
Total assets	<u>27,902,003</u>
Liabilities	
Accounts payable	370,843
Salaries and benefits payable	7,811
Due to other governments	394,772
Deferred revenue:	
Succeeding year property tax	5,041,000
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	136,631
Portion due or payable after one year:	
Drainage warrants	594,473
Compensated absences	95,809
OPEB liability	72,800
Total liabilities	<u>6,714,139</u>
Net Assets	
Invested in capital assets	16,178,621
Restricted for:	
Supplemental levy purposes	368,771
Rural services	408,276
Secondary roads purposes	1,700,661
Drainage improvements	586,552
Other purposes	628,950
Unrestricted	1,316,033
Total net assets	<u>\$ 21,187,864</u>

See notes to financial statements.

Greene County

Statement of Activities

Year ended June 30, 2012

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Service	Operating Grants Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Expenses					
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 1,349,971	192,368	15,026	-	(1,142,577)
Physical health and social services	366,835	32,986	92,099	-	(241,750)
Mental health	1,422,939	93,535	419,623	-	(909,781)
County environment and education	913,798	131,083	120,298	49,329	(613,088)
Roads and transportation	4,348,721	287,023	2,633,456	639,226	(789,016)
Governmental services to residents	351,344	202,164	-	426	(148,754)
Administration	1,411,467	17,995	-	-	(1,393,472)
Non-program	899,966	950,454	163,916	-	214,404
Interest on long-term debt	13,157	-	-	-	(13,157)
Total	\$ 11,078,198	1,907,608	3,444,418	688,981	(5,037,191)
General Revenues:					
Property and other county tax levied for general purposes					4,652,324
Penalty and interest on property tax					19,690
Local option sales and services tax					335,478
State tax credits					206,338
Unrestricted investment earnings					10,961
Gain on disposition of capital assets					17,231
Miscellaneous					54,837
Total general revenues					5,296,859
Change in net assets					259,668
Net assets beginning of year					20,928,196
Net assets end of year					\$ 21,187,864
See notes to financial statements.					

Greene County
Balance Sheet
Governmental Funds

June 30, 2012

	General	Mental Health
Assets		
Cash, pooled investments and cash equivalents	\$ 1,799,748	280,898
Receivables:		
Property tax:		
Delinquent	2,871	565
Succeeding year	3,027,000	596,000
Interest and penalty on property tax	1,957	-
Accounts	541	-
Accrued interest	614	-
Drainage assessments	-	-
Due from other funds	-	-
Due from other governments	16,520	19,415
Inventories	-	-
Total assets	\$ 4,849,251	896,878
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 40,540	23,115
Salaries and benefits payable	5,963	-
Due to other funds	1,892	-
Due to other governments	6,465	385,397
Deferred revenue:		
Succeeding year property tax	3,027,000	596,000
Other	4,794	562
Total liabilities	3,086,654	1,005,074
Fund balances:		
Nonspendable - inventories	-	-
Restricted for:		
Supplemental levy purposes	369,729	-
Rural services purposes	-	-
Secondary roads purposes	-	-
Drainage warrants	-	-
Conservation land acquisition	31,510	-
Other purposes	5,000	-
Assigned for capital improvement projects	315,000	-
Unassigned	1,041,358	(108,196)
Total fund balances	1,762,597	(108,196)
Total liabilities and fund balances	\$ 4,849,251	896,878

See notes to financial statements.

Special Revenue				
Rural Services	Secondary Roads	Drainage Districts	Nonmajor	Total
409,936	828,865	495,461	563,231	4,378,139
910	-	-	-	4,346
1,418,000	-	-	-	5,041,000
-	-	-	-	1,957
-	6,820	-	-	7,361
-	3	-	4	621
-	-	594,473	-	594,473
-	1,892	-	-	1,892
13,913	186,203	157,486	29,229	422,766
-	910,671	-	-	910,671
1,842,759	1,934,454	1,247,420	592,464	11,363,226
1,968	87,826	64,270	24	217,743
1,266	582	-	-	7,811
-	-	-	-	1,892
15	770	2,125	-	394,772
1,418,000	-	-	-	5,041,000
5,411	-	751,959	-	762,726
1,426,660	89,178	818,354	24	6,425,944
-	910,671	-	-	910,671
-	-	-	-	369,729
416,099	-	-	-	416,099
-	934,605	-	-	934,605
-	-	429,066	-	429,066
-	-	-	-	31,510
-	-	-	592,440	597,440
-	-	-	-	315,000
-	-	-	-	933,162
416,099	1,845,276	429,066	592,440	4,937,282
1,842,759	1,934,454	1,247,420	592,464	11,363,226

Greene County

Greene County

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Assets

June 30, 2012

Total governmental fund balances (page 19)	\$ 4,937,282
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$28,229,595 and the accumulated depreciation is \$12,050,974.	16,178,621
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds.	762,726
The Internal Service Fund is used by management to charge the costs of health insurance to individual departments and funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.	208,948
Long-term liabilities, including drainage warrants, compensated absences and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.	(899,713)
Net assets of governmental activities (page 16)	<u>\$ 21,187,864</u>

See notes to financial statements.

Greene County
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds

Year ended June 30, 2012

	General	Mental Health
Revenues:		
Property and other county tax	\$ 2,993,381	116,125
Local option sales and services tax	-	-
Interest and penalty on property tax	24,080	-
Intergovernmental	339,800	517,044
Licenses and permits	7,736	-
Charges for service	408,296	-
Use of money and property	19,976	-
Miscellaneous	35,442	1,218
Total revenues	<u>3,828,711</u>	<u>634,387</u>
Expenditures:		
Operating:		
Public safety and legal services	955,786	-
Physical health and social services	365,858	-
Mental health	-	1,422,092
County environment and education	504,941	-
Roads and transportation	-	-
Governmental services to residents	342,121	-
Administration	1,394,137	-
Non-program	-	-
Debt service	-	-
Capital projects	17,350	-
Total expenditures	<u>3,580,193</u>	<u>1,422,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>248,518</u>	<u>(787,705)</u>
Other financing sources (uses):		
Drainage warrants issued	-	-
Operating transfers in	5,000	-
Operating transfers out	(50,000)	-
Total other financing sources (uses)	<u>(45,000)</u>	<u>-</u>
Change in fund balances	203,518	(787,705)
Fund balances beginning of year	1,559,079	679,509
Fund balances end of year	<u>\$ 1,762,597</u>	<u>(108,196)</u>

See notes to financial statements.

Special Revenue				
Rural Services	Secondary Roads	Drainage Districts	Nonmajor	Total
1,541,675	-	-	-	4,651,181
-	-	-	335,478	335,478
-	-	-	-	24,080
186,374	2,651,731	6,430	55,176	3,756,555
-	49,061	-	-	56,797
-	-	-	2,408	410,704
-	18,429	-	20	38,425
7,428	237,962	384,940	52,604	719,594
1,735,477	2,957,183	391,370	445,686	9,992,814
356,359	-	-	28,114	1,340,259
-	-	-	-	365,858
-	-	-	-	1,422,092
276,339	-	-	34,015	815,295
160,000	3,674,991	-	-	3,834,991
-	-	-	5,859	347,980
-	-	-	-	1,394,137
-	-	-	26,000	26,000
-	-	224,505	-	224,505
-	-	596,724	40,415	654,489
792,698	3,674,991	821,229	134,403	10,425,606
942,779	(717,808)	(429,859)	311,283	(432,792)
-	-	496,816	-	496,816
41,000	1,145,000	-	-	1,191,000
(920,000)	-	-	(221,000)	(1,191,000)
(879,000)	1,145,000	496,816	(221,000)	496,816
63,779	427,192	66,957	90,283	64,024
352,320	1,418,084	362,109	502,157	4,873,258
416,099	1,845,276	429,066	592,440	4,937,282

Greene County

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances -
Governmental Funds to the Statement
of Activities

Year ended June 30, 2012

Change in fund balances - Total governmental funds (page 23) \$ 64,024

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 346,427	
Capital assets contributed by the Iowa Department of	639,226	
Depreciation expense	<u>(931,656)</u>	53,997

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		9,431
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Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds, as follows:

Property tax	1,143	
Other	<u>407,406</u>	408,549

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issuances exceeded repayments, as follows:

Issued	(496,816)	
Repaid	<u>211,348</u>	(285,468)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	15,474	
Other postemployment benefits	<u>(22,000)</u>	(6,526)

The Internal Service Fund is used by management to charge the costs of health insurance to individual departments and funds. The increase in net assets of the Internal Service Fund is included in governmental activities in the Statement of Net Assets.

15,661

Change in net assets of governmental activities (page 17)

\$ 259,668

See notes to financial statements.

Greene County
Statement of Net Assets
Proprietary Fund
June 30, 2012

	<u>Internal Service - Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 276,161
Accounts receivable	85,887
Total assets	<u>362,048</u>
Liabilities	
Accounts payable	<u>153,100</u>
Net Assets	
Unrestricted	<u><u>\$ 208,948</u></u>
See notes to financial statements.	

Greene County
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Fund

Year ended June 30, 2012

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 922,811
Reimbursements from employees and others		138,772
Insurance reimbursements		<u>109,510</u>
Total operating revenues		1,171,093
Operating expenses:		
Medical claims	\$ 642,206	
Administrative and other fees	22,448	
Insurance premiums	318,658	
Prescription charges	<u>172,120</u>	<u>1,155,432</u>
Operating income		15,661
Net assets beginning of year		<u>193,287</u>
Net assets end of year		<u><u>\$ 208,948</u></u>
See notes to financial statements.		

Greene County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2012

	<u>Internal Service - Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,061,584
Cash received from insurance reimbursements	23,622
Cash paid to suppliers for services	<u>(1,066,257)</u>
Net cash provided by operating activities	18,949
Cash and cash equivalents beginning of year	<u>257,212</u>
Cash and cash equivalents end of year	<u><u>\$ 276,161</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 15,661
Adjustment to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(85,887)
Increase in accounts payable	<u>89,175</u>
Net cash provided by operating activities	<u><u>\$ 18,949</u></u>

See notes to financial statements.

Greene County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2012

Assets

Cash and pooled investments:

County Treasurer	\$ 892,707
Other County officials	62,870

Receivables:

Property tax:

Delinquent	13,257
Succeeding year	12,658,000

Accounts	14,395
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Special assessments	19,801
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Total assets	<u>13,661,030</u>
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Liabilities

Accounts payable	120
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Due to other governments	13,606,754
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Trusts payable	44,757
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Compensated absences	9,399
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Total liabilities	<u>13,661,030</u>
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Net assets	<u><u>\$ -</u></u>
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See notes to financial statements.

Greene County
Notes to Financial Statements
June 30, 2012

(1) Summary of Significant Accounting Policies

Greene County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Greene County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Greene County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Greene County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported as an Agency Fund. Financial information for the individual drainage districts can be obtained from the Greene County Auditor's office.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Greene County Assessor's Conference Board, County Emergency Management Commission and Greene County E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the Central Iowa Juvenile Detention Center, Region V Hazardous Materials Response Commission and Region XII Council of Governments, jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa. In addition, the County participates in the following jointly governed organizations: Second Judicial District Department of Correctional Services, M & M Divide Resource Conservation & Development, Inc. and Greene County Development Corporation.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in capital assets consists of capital assets, net of accumulated depreciation.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary roads construction and maintenance.

The Drainage Districts Fund is used to account for drainage district assessment revenues to be used for construction and maintenance costs.

Additionally, the County reports the following funds:

Proprietary Fund – An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Funds – Agency Funds are used to account for assets held by the County as an agency for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

The proprietary fund of the County applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2010 assessed property valuations; is for the tax accrual period July 1, 2011 through June 30, 2012 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2011.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Delinquent drainage assessments receivable represent assessments which are due and payable but have not been collected. Succeeding year drainage assessments receivable represents remaining assessments which are payable but not yet due.

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles and infrastructure assets acquired after July 1, 2003 (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	25 - 50
Infrastructure	10 - 65
Equipment	2 - 20
Vehicles	5 - 15

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death or retirement. Upon retirement, an employee is paid \$10 per day for up to 90 days of accumulated sick leave. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2012. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Assets.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the County intends to use for specific purposes as determined by the County Auditor.

Unassigned – All amounts not included in the preceding classifications.

Net Assets – The net assets of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) Cash, Pooled Investments and Cash Equivalents

The County's deposits in banks at June 30, 2012 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

At June 30, 2012, the County had the following investments:

Type	Fair Value	Maturity
FNMA interest only strip	\$25	February 2017

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$10,967 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated.

Interest rate risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

Concentration of credit risk – The County places no limit on the amount that may be invested in any one issuer.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2012 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	\$ 1,892

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2012 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Local Option Sales Tax	\$ 5,000
Special Revenue: Rural Services	Special Revenue: Local Option Sales Tax	41,000
Secondary Roads	General	50,000
	Special Revenue: Rural Services	920,000
	Local Option Sales Tax	175,000
		1,145,000
Total		\$ 1,191,000

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2012 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 1,512,199	35,000	-	1,547,199
Construction in progress	-	594,162	-	594,162
Total capital assets not being depreciated	1,512,199	629,162	-	2,141,361
Capital assets being depreciated:				
Buildings	2,448,746	-	-	2,448,746
Equipment and vehicles	7,880,546	327,927	(151,087)	8,057,386
Infrastructure, road network	15,537,038	45,064	-	15,582,102
Total capital assets being depreciated	25,866,330	372,991	(151,087)	26,088,234
Less accumulated depreciation for:				
Buildings	1,082,256	42,336	-	1,124,592
Equipment and vehicles	4,927,273	464,034	(144,018)	5,247,289
Infrastructure, road network	5,253,807	425,286	-	5,679,093
Total accumulated depreciation	11,263,336	931,656	(144,018)	12,050,974
Total capital assets being depreciated, net	14,602,994	(558,665)	(7,069)	14,037,260
Governmental activities capital assets, net	\$ 16,115,193	70,497	(7,069)	16,178,621

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 59,052
County environment and education	42,345
Roads and transportation	811,369
Governmental services to residents	1,700
Administration	17,190
Total depreciation expense - governmental activities	\$ 931,656

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2012 is as follows:

Fund	Description	Amount
General	Services	\$ 6,465
Special Revenue:		
Mental Health	Services	385,397
Rural Services	Services	15
Secondary Roads	Services	770
Drainage Districts	Services	2,125
		<u>388,307</u>
Total for governmental funds		<u>\$ 394,772</u>
Agency:		
County Assessor	Collections	\$ 530,458
Schools		7,874,867
Community Colleges		458,816
Corporations		2,281,488
Auto License and Use Tax		242,416
County Hospital		1,720,809
All other		<u>498,693</u>
Total for agency funds		<u>\$ 13,607,547</u>

(7) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2012 is as follows:

	Drainage Warrants	Compen- sated Absences	Net OPEB Liability	Total
Balance beginning of year	\$ 309,005	247,914	50,800	607,719
Increases	496,816	240,671	32,800	770,287
Decreases	211,348	256,145	10,800	478,293
Balance end of year	<u>\$ 594,473</u>	<u>232,440</u>	<u>72,800</u>	<u>899,713</u>
Due within one year	<u>\$ -</u>	<u>136,631</u>	<u>-</u>	<u>136,631</u>

Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Special Revenue, Drainage Districts Fund solely from drainage assessments against benefited properties and grant money for emergency repairs.

(8) Contingent Liabilities

E911 Loan Agreement

On November 11, 2005, the E911 Service Board and the County, as cosigner on the note, entered into a loan agreement to borrow up to \$243,000 from Home State Bank for the purchase of Digital Data and Digital Products. The loan agreement is to be repaid in 10 annual installments of \$35,000, including interest at 4.80% per annum, beginning June 1, 2007. However, during the year ended June 30, 2012, the E911 Service Board paid principal of \$25,868 and interest of \$4,132 on the loan, for a total of \$30,000.

The County is contingently liable on the \$44,903 note outstanding at June 30, 2012. Since the interest and note principal is currently paid out of E911 Service Board revenues, this liability has not been recorded in the Statement of Net Assets. However, since the County has cosigned the note, if the revenues of the E911 Service Board are not adequate, a tax may be levied on all taxable property in the County to repay the note.

The transactions for this loan are accounted for in an Agency Fund. The assets and liabilities of the E911 Service Board Fund, an Agency Fund included as part of Other Agency Funds, are reported on the modified accrual basis. Accordingly, the assets purchased and the bank note payable by the E911 Service Board have not been reported in the E911 Service Board Fund.

(9) Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 5.38% of their annual covered salary and the County is required to contribute 8.07% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2012, 2011 and 2010 were \$269,035, \$237,664 and \$216,560, respectively, equal to the required contributions for each year.

(10) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 74 active and one retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits which is a partially self-funded medical plan, is administered by First Administrators. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The County’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County’s annual OPEB cost for the year ended June 30, 2012, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$28,900
Interest on net OPEB obligation	2,000
Adjustment to annual required contribution	1,900
Annual OPEB cost	32,800
Contributions made	(10,800)
Increase in net OPEB obligation	22,000
Net OPEB obligation beginning of year	50,800
Net OPEB obligation end of year	<u>\$72,800</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2012.

For the year ended June 30, 2012, the County contributed \$10,800 to the medical plan. Plan members eligible for benefits contributed \$7,529, or 41% of the premium costs.

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 28,900	9.0%	\$ 26,300
2011	31,000	21.0	50,800
2012	32,800	32.9	72,800

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2011, the actuarial accrued liability was \$262,200, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$262,200. The covered payroll (annual payroll of active employees covered by the plan) was \$2,983,900 and the ratio of the UAAL to covered payroll was 8.8%. As of June 30, 2012, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 9.0%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate. An inflation rate of 0% is assumed for the purpose of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities mirror those used for IPERS.

Projected claim costs of the medical plan are \$960 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(11) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 663 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 150% of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2012 were \$143,837.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by the Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2012, no liability has been recorded in the County's financial statements. As of June 30, 2012, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established January 1, 2010 to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with First Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$30,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to First Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2012 was \$922,811.

Amounts payable from the Employee Group Health Fund at June 30, 2012 total \$153,100, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$208,948 at June 30, 2012 and is reported as a designation of the Internal Service, Employee Group Health Fund net assets. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 63,925
Incurred claims (including claims incurred but not reported at June 30, 2012)	814,326
Payments on claims during the year	<u>(725,151)</u>
Unpaid claims end of year	<u>\$ 153,100</u>

(13) Deficit Fund Balance

The Special Revenue, Mental Health Fund had a deficit balance of \$108,196 at June 30, 2012. The deficit balance was a result of costs incurred prior to availability of funds. The deficit will be eliminated upon receipt of funds.

Greene County

Required Supplementary Information

Greene County
 Budgetary Comparison Schedule of
 Receipts, Disbursements and Changes in Balances -
 Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2012

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 4,996,325	-	4,996,325
Interest and penalty on property tax	24,064	-	24,064
Intergovernmental	3,821,129	1,370	3,819,759
Licenses and permits	52,642	-	52,642
Charges for service	411,093	-	411,093
Use of money and property	39,849	-	39,849
Miscellaneous	723,158	384,927	338,231
Total receipts	10,068,260	386,297	9,681,963
Disbursements:			
Public safety and legal services	1,349,796	-	1,349,796
Physical health and social services	379,257	-	379,257
Mental health	1,197,229	-	1,197,229
County environment and education	800,632	-	800,632
Roads and transportation	4,126,894	-	4,126,894
Governmental services to residents	348,671	-	348,671
Administration	1,397,021	-	1,397,021
Non-program	60,610	26,595	34,015
Debt service	13,158	13,158	-
Capital projects	597,279	535,865	61,414
Total disbursements	10,270,547	575,618	9,694,929
Excess (deficiency) of receipts over (under) disbursements	(202,287)	(189,321)	(12,966)
Other financing sources	285,468	285,468	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements	83,181	96,147	(12,966)
Balance beginning of year	4,294,958	399,314	3,895,644
Balance end of year	\$ 4,378,139	495,461	3,882,678

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
4,980,580	4,946,580	49,745
5,000	5,000	19,064
3,719,672	3,729,840	89,919
9,225	50,225	2,417
346,625	365,575	45,518
28,073	23,053	16,796
312,100	279,670	58,561
9,401,275	9,399,943	282,020
1,367,568	1,401,318	51,522
464,757	439,836	60,579
1,241,680	1,241,680	44,451
857,587	857,587	56,955
3,984,779	4,144,779	17,885
351,897	351,897	3,226
1,435,021	1,455,021	58,000
50,000	50,000	15,985
-	-	-
45,000	61,500	86
9,798,289	10,003,618	308,689
(397,014)	(603,675)	590,709
-	-	-
(397,014)	(603,675)	590,709
3,274,886	3,876,477	19,167
2,877,872	3,272,802	609,876

Greene County
Budgetary Comparison Schedule - Budget to GAAP Reconciliation
Required Supplementary Information
Year ended June 30, 2012

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 10,068,260	(75,446)	9,992,814
Expenditures	10,270,547	155,059	10,425,606
Net	(202,287)	(230,505)	(432,792)
Other financing sources (uses), net	285,468	211,348	496,816
Beginning fund balances	4,294,958	578,300	4,873,258
Ending fund balances	\$ 4,378,139	559,143	4,937,282

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2012

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$205,329. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2012, disbursements did not exceed the amounts budgeted by function.

Greene County
Schedule of Funding Progress for the
Retiree Health Plan
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jul 1, 2009	-	\$ 262	262	0.00%	\$ 2,729	9.60%
2011	Jul 1, 2009	-	262	262	0.00	2,882	9.10
2012	Jul 1, 2009	-	262	262	0.00	2,984	8.80

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

Greene County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2012

	County Recorder's Records		
	Management	REAP	Forfeiture
Assets			
Cash and pooled investments	\$ 3,921	17,758	4,061
Accrued interest receivable	1	3	-
Due from other governments	-	-	-
Total assets	\$ 3,922	17,761	4,061
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	-	-
Fund balances:			
Restricted for other purposes	3,922	17,761	4,061
Total liabilities and fund balances	\$ 3,922	17,761	4,061

See accompanying independent auditor's report.

Special Revenue				
Local Option Sales Tax	K-9	Louis Dreyfus	Total	
449,129	1,377	86,985	563,231	
-	-	-	4	
29,229	-	-	29,229	
478,358	1,377	86,985	592,464	
-	24	-	24	
478,358	1,353	86,985	592,440	
478,358	1,377	86,985	592,464	

Greene County

Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2012

	County Recorder's Records Management	REAP	Forfeiture
Revenues:			
Local option sales and services tax	\$ -	-	-
Intergovernmental	-	55,176	-
Charges for service	2,408	-	-
Use of money and property	14	6	-
Miscellaneous	-	-	2,479
Total revenues	2,422	55,182	2,479
Expenditures:			
Operating:			
Public safety and legal services	-	-	2,443
County environment and education	-	-	-
Governmental services to residents	5,859	-	-
Non-program	-	-	-
Capital projects	-	40,415	-
Total expenditures	5,859	40,415	2,443
Excess (deficiency) of revenues over (under) expenditures	(3,437)	14,767	36
Other financing uses:			
Operating transfers out	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(3,437)	14,767	36
Fund balances beginning of year	7,359	2,994	4,025
Fund balances end of year	\$ 3,922	17,761	4,061

See accompanying independent auditor's report.

Special Revenue				
Local Option Sales Tax	K-9	Raccoon River Valley Trail Association	Louis Dreyfus	Total
335,478	-	-	-	335,478
-	-	-	-	55,176
-	-	-	-	2,408
-	-	-	-	20
-	125	-	50,000	52,604
335,478	125	-	50,000	445,686
25,000	671	-	-	28,114
-	-	-	34,015	34,015
-	-	-	-	5,859
-	-	26,000	-	26,000
-	-	-	-	40,415
25,000	671	26,000	34,015	134,403
310,478	(546)	(26,000)	15,985	311,283
(221,000)	-	-	-	(221,000)
89,478	(546)	(26,000)	15,985	90,283
388,880	1,899	26,000	71,000	502,157
478,358	1,353	-	86,985	592,440

Greene County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2012

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	2,240	257,705	110,853
Other County officials	18,323	-	-	-
Receivables:				
Property tax:				
Delinquent	-	160	267	7,014
Succeeding year	-	169,000	282,000	7,757,000
Accounts	14,395	-	-	-
Special assessments	-	-	-	-
Total assets	\$ 32,718	171,400	539,972	7,874,867
Liabilities				
Accounts payable	\$ -	-	115	-
Due to other governments	26,293	171,400	530,458	7,874,867
Trusts payable	6,425	-	-	-
Compensated absences	-	-	9,399	-
Total liabilities	\$ 32,718	171,400	539,972	7,874,867

See accompanying independent auditor's report.

Community Colleges	Corpor- ations	Townships	City Special Assess- ments	Auto License and Use Tax	County Hospital	Other	Total
6,379	30,738	2,845	8,652	242,416	181,349	49,530	892,707
-	-	-	-	-	-	44,547	62,870
437	3,750	167	-	-	1,460	2	13,257
452,000	2,247,000	211,000	-	-	1,538,000	2,000	12,658,000
-	-	-	-	-	-	-	14,395
-	-	-	19,801	-	-	-	19,801
458,816	2,281,488	214,012	28,453	242,416	1,720,809	96,079	13,661,030
-	-	-	-	-	-	5	120
458,816	2,281,488	214,012	28,453	242,416	1,720,809	57,742	13,606,754
-	-	-	-	-	-	38,332	44,757
-	-	-	-	-	-	-	9,399
458,816	2,281,488	214,012	28,453	242,416	1,720,809	96,079	13,661,030

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2012

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 31,659	165,549	511,763	8,070,676
Additions:				
Property and other county tax	-	169,447	281,803	7,763,057
State tax credits	-	7,261	12,253	358,198
E911 surcharge	-	-	-	-
Office fees and collections	272,369	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	226,843	-	-	-
Miscellaneous	-	-	85	-
Total additions	499,212	176,708	294,141	8,121,255
Deductions:				
Agency remittances:				
To other funds	125,886	-	-	-
To other governments	137,715	170,857	265,932	8,317,064
Trusts paid out	234,552	-	-	-
Total deductions	498,153	170,857	265,932	8,317,064
Balances end of year	\$ 32,718	171,400	539,972	7,874,867

See accompanying independent auditor's report.

Community Colleges	Corpora- tions	Townships	City Special Assess- ments	Auto License and Use Tax	County Hospital	Other	Total
472,073	2,332,729	209,065	25,284	203,958	1,671,408	89,852	13,784,016
452,334	2,221,025	211,321	-	-	1,538,320	1,744	12,639,051
20,648	98,857	9,305	-	-	66,252	77	572,851
-	-	-	-	-	-	82,024	82,024
-	-	-	-	-	-	-	272,369
-	-	-	-	3,175,718	-	-	3,175,718
-	-	-	25,109	-	-	-	25,109
-	-	-	-	-	-	8,004	234,847
-	-	-	-	-	-	70,618	70,703
472,982	2,319,882	220,626	25,109	3,175,718	1,604,572	162,467	17,072,672
-	-	-	-	113,687	-	-	239,573
486,239	2,371,123	215,679	21,940	3,023,573	1,555,171	148,934	16,714,227
-	-	-	-	-	-	7,306	241,858
486,239	2,371,123	215,679	21,940	3,137,260	1,555,171	156,240	17,195,658
458,816	2,281,488	214,012	28,453	242,416	1,720,809	96,079	13,661,030

Greene County
Schedule of Revenues By Source and Expenditures By Function -
All Governmental Funds

For the Last Ten Years

	2012	2011	2010
Revenues:			
Property and other county tax	\$ 4,651,181	4,964,479	4,438,624
Local option sales and services tax	335,478	334,826	359,816
Interest and penalty on property tax	24,080	32,089	26,982
Intergovernmental	3,756,555	4,767,583	4,010,169
Licenses and permits	56,797	49,114	40,939
Charges for service	410,704	410,474	345,286
Use of money and property	38,425	47,782	45,248
Miscellaneous	719,594	677,114	618,629
Total	\$ 9,992,814	11,283,461	9,885,693
Expenditures:			
Operating:			
Public safety and legal services	\$ 1,340,259	1,345,041	1,333,360
Physical health and social services	365,858	397,472	432,946
Mental health	1,422,092	1,226,104	1,087,399
County environment and education	815,295	780,196	839,485
Roads and transportation	3,834,991	4,137,876	4,315,317
Governmental services to residents	347,980	323,357	318,275
Administration	1,394,137	1,338,824	1,247,531
Non-program	26,000	36,692	-
Debt service	224,505	263,106	218,979
Capital projects	654,489	642,159	367,625
Total	\$ 10,425,606	10,490,827	10,160,917

See accompanying independent auditor's report.

Modified Accrual Basis						
2009	2008	2007	2006	2005	2004	2003
4,220,867	3,956,141	4,069,403	3,986,253	3,640,552	3,877,732	3,902,119
356,170	281,558	127,529	-	-	-	-
26,415	24,310	24,353	35,501	29,058	27,398	27,660
4,300,228	3,746,259	3,796,036	3,914,161	3,441,682	3,694,585	3,860,912
41,346	43,750	37,922	35,578	32,157	17,760	8,082
351,902	328,665	339,564	343,893	318,495	331,423	378,589
70,207	161,155	198,307	122,668	80,580	44,253	65,497
358,326	577,460	297,837	252,281	185,920	218,601	787,417
9,725,461	9,119,298	8,890,951	8,690,335	7,728,444	8,211,752	9,030,276
1,225,669	1,155,960	1,073,381	1,019,817	964,140	1,039,041	1,007,160
340,039	269,015	275,513	259,664	250,503	279,004	163,267
1,240,352	1,437,086	1,362,286	1,276,025	1,189,201	1,195,522	1,305,554
734,774	1,078,820	964,617	739,948	691,979	648,394	700,151
3,700,267	3,950,150	3,399,286	3,325,074	2,999,673	3,368,306	2,967,035
321,528	291,266	273,210	340,250	271,529	234,034	223,006
1,185,034	1,100,080	1,213,871	1,086,544	1,044,304	991,378	965,603
-	-	4,296	28,753	7,601	12,717	89,196
137,275	147,472	12,604	369,683	48,197	59,597	514,055
477,540	370,306	223,843	425,752	222,409	601,710	613,615
9,362,478	9,800,155	8,802,907	8,871,510	7,689,536	8,429,703	8,548,642

Greene County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officials of Greene County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greene County, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated March 29, 2013. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of Greene County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Greene County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Greene County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Greene County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control over financial reporting we consider to be a material weakness and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in the accompanying Schedule of Findings as item (A) to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items (B) through (F) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greene County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted an immaterial instance of non-compliance or other matters which is described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Greene County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Greene County's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Greene County and other parties to whom Greene County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Greene County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 29, 2013

Greene County

Schedule of Findings

Year ended June 30, 2012

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

- (A) Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

(1) Receipts – opening and listing mail receipts (at least on a test basis), collecting, depositing, posting and daily reconciling and change fund custodian.

Applicable
Offices

County Treasurer,
County Sheriff
and County
Extension Office

(2) Indication of independent review of the bank reconciliation was not evidenced by the signature or initials of the preparer and the reviewer and the date of the review.

County Extension
Office

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The officials should utilize current personnel, including elected officials and personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

County Treasurer – I will continue to work on the segregation of duties in the operation of the Treasurer's Office

County Sheriff – I have been assisting with the opening of the daily mail and noting all incoming checks and monies into a mail log for the past two years. I also check our receipts and cash book. I also record and make a secondary review of each month's reconciliation bank statements and have dated when I do so. I have also tried to have another staff person assist with opening mail and checking deposits.

County Extension Office – We will continue to work with the number of staff we have to segregate duties as best we can and will periodically evaluate our procedures for maximum control. Currently, the Council Treasurer does conduct independent review of bank reconciliation. In the future, the Council Treasurer will sign and date the bank reconciliation to indicate this independent review has occurred.

Conclusions – Responses accepted.

Greene County

Schedule of Findings

Year ended June 30, 2012

- (B) Compensated Absences – Certain employees have accumulated vacation and compensatory time hours in excess of the maximum hours allowed to be carried forward to the next year under the County's personnel policy and union agreement.

Recommendation – The County should comply with its personnel policy and union agreement.

Response – We agree and plan to implement changes to address compensated absences effective upon approval of an updated personnel policy handbook to be completed in early 2013.

Conclusion – Response accepted

- (C) County Treasurer – Monthly reconciliations of the Treasurer's general ledger accounts to the bank were performed, but variances were not resolved. The general ledger balance was over/(under) the bank balance by \$2,908 at June 30, 2008, by \$48 at June 30, 2009, by \$2,531 at June 30, 2010, by \$(895) at June 30, 2011 and by \$1,090 at June 30, 2012.

Recommendation – Monthly bank reconciliations should be performed and variances between book and bank balances should be investigated and resolved in a timely manner to improve financial accountability and control.

Response – I will continue to work on the variances between the Treasurer's Office and the Auditor's general ledger.

Conclusion – Response accepted.

- (D) County Sheriff – After taking the deposit to the bank, the bank deposit receipt received from the bank should be compared to the cash receipt journal to ensure proper recording. The Sheriff's Office does not compare the deposit receipt to the cash receipt journal.

Recommendation – The bank deposit receipt should be compared to the cash receipt journal and the review should be evidenced by initials of the reviewer and the date of the review.

Response – Bank deposit slips will be initialed after they are taken to the bank and compared to the cash receipt journal which will also be initialed by the preparer.

Conclusion – Response accepted.

- (E) County Extension Office Receipts – Part of good internal control is depositing cash timely and posting receipts to the cash journal daily. The County Extension Office makes deposits weekly and receipts are posted to the cash receipts journal at the time the deposit is made.

Recommendation – The County Extension Office should develop policies and procedures to ensure receipts are posted to the cash journal when receipts are received and deposits are made on a timely basis.

Greene County

Schedule of Findings

Year ended June 30, 2012

Response – Council and staff will ensure procedures are put in place to have receipts posted to the cash journal on a daily basis. We will continue to make deposits at least weekly.

Conclusion – Response accepted.

- (F) County Extension Timesheet Approval – The County Extension Coordinator does not prepare a timesheet. The Extension Coordinator tracks his sick leave and vacation balances. However, there is no evidence of review or approval of the sick leave or vacation usage and balances.

Recommendation – Procedures should be implemented to ensure timesheets are prepared and approved. The procedures should also include review and approval of sick leave and vacation usage and balances. The review and approvals should be evidenced by the signature or initials of the reviewer and approver and the date of review and approval.

Response – Procedures have already been put into place to have the County Extension Coordinator prepare a timesheet, which also tracks sick leave and vacation usage and balances. The timesheet will be reviewed and approved monthly by Council chairperson and Council treasurer/treasurer pro-tem.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Greene County

Schedule of Findings

Year ended June 30, 2012

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2012 did not exceed the amounts budgeted by function.
- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (3) Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Mike Wyatt, Custodian, owner of Wyatt Water Conditioning	Supplies	\$968

In accordance with Chapter 331.342(10) of the Code of Iowa, the transactions with Wyatt Water Conditioning do not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year.

- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2012 for the County Extension Office did not exceed the amount budgeted.

Greene County

Schedule of Findings

Year ended June 30, 2012

- (10) Deficit Fund Balance – The Special Revenue, Mental Health Fund had a deficit fund balance of \$108,196 at June 30, 2012.

Recommendation – The County should investigate alternatives to eliminate this deficit in order to return this fund to a sound financial position.

Response – We agree. Changes to state funding for mental health have contributed to the deficit fund balance. The County is continuing efforts to pay its final state bill and maintain a positive fund balance.

Conclusion – Response accepted.

Greene County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Manager
Janet K. Mortvedt, CPA, Senior Auditor
Leanna J. Showman, Staff Auditor
Andi J. Kaufman, CPA, Staff Auditor
Jesse J. Probasco, Assistant Auditor
Margaret E. Schlerman, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA
Deputy Auditor of State